



FAQ Page

Maryland Smart Energy Communities Grant Program

Below, you will find frequently asked questions for the [Maryland Smart Energy Communities](#) program. If your question is not answered, please contact the program manager using the information at the bottom of this page.

Quick links:

- [Policies](#)
- [Projects](#)
- [Terms and conditions](#)
- [Contact](#)

Policies

This program requires local governments to adopt written, formal policies committing them to goals related to energy efficiency, renewable energy, and or/transportation. What type of local legislation is required to be eligible for funding?

The intent of this program is for local governments to commit to working toward energy efficiency, renewable energy, and/or transportation petroleum reduction. Policies must be formally written and passed by the appropriate governing body of the local government. Each participant must determine which method is most appropriate, based on their local charters and procedures.

What happens if we do not meet the adopted goal within the appropriate timeframe (ie, achieve a 15% electricity reduction within 5 years, etc)? Will our grant funding be rescinded?

While MEA will not rescind your grant funding, we strongly encourage participants to make a good-faith effort toward achieving the goals in order to be eligible for grant funding in future years.

Can part of the grant funding be used for administrative cost or costs related to creating the baseline, passing the policies, and creating plans?

Communities will be allowed to use up to 30% of their grant funding on indirect costs (e.g., administrative costs, feasibility studies, policy development, etc.). A minimum of 70% of MSEC grant funding must be spent on direct energy project costs (e.g., labor and materials). Participants can access the 30% funding upon signing implementation agreements with MEA. The remaining 70% must be spent on a specific energy-related project and cannot be accessed until all deliverables are completed. Communities shall not exceed 10 percent of their grant award on administrative costs.

What baseline year can be used?

MEA requests that local governments use a baseline year for which they have the most recent available data. Most new communities will use 2016. However, MEA will be flexible on the baseline year as some communities have completed energy-related projects that they would like to count toward the energy efficiency and/or transportation goals. MEA will approve baseline year on a case by case basis. Please note that the energy efficiency and transportation goals must be accomplished within 5 years of the baseline year, so a community choosing a 2015 baseline year will need to achieve the necessary reductions by 2020, and so forth.

Can a community work with a private partner? For example, some local governments have privatized trash collection or school bus services.

Yes, MEA will consider all partnerships in your effort to meet energy goals on a case by case basis. If a local government chooses to include them, then these privatized services must also be included in the appropriate baseline. However, MSEC grant awards are not available to the private partner.

What is the correlation with other state programs administered by DHCD, the Maryland Department of Planning, etc?

The Maryland Smart Energy Communities program focuses specifically on what communities can do to save energy, while some of the other programs in the state focus more on revitalization and general sustainability. While they may be related, they are separate programs with different focuses.

Will MEA or the University of Maryland Environmental Finance Center provide energy audits?

No, MEA and EFC are not able to conduct energy audits for communities. MEA and EFC are available to assist with finding an energy auditor, establishing baselines, getting policies passed, formulating energy plans and formation of possible projects to meet community goals.

Is a draft resolution available for communities to use?

Model policies are available for community use.

As part of the EECBG we had our county council adopt an energy efficiency plan, could this count as our energy efficiency policy?

MEA would need to review to make sure it meets the reduction requirements. Please review the policy guidance documents. In the application we ask communities to list existing policies and submit copies of those policies so that MEA can review in more detail to see if can be used as written or will require modification.

How do we address a situation where the goals required by the Smart Energy Communities program are different from the goals already developed in the community's current policy documents?

MEA will review existing legislation to evaluate any discrepancies in existing policy documents and the grant requirements. MEA will accept a more aggressive policy; however, if the policy is less aggressive MEA would require an increase that goal and modify that policy.

Projects

How much funding is a municipality eligible for?

MEA has approximately \$900,000 to be spent on funding for energy efficiency, renewable energy, and transportation projects. Exact funding levels will be determined by formula and will vary based on population of the municipality or county, number of total participants, and quality of proposed projects. Funding is not meant to cover the full cost of passing and implementing the policies, but rather for energy-related projects. Applicants under AOI-II, Existing Community Track must cost-share at least 15% of the total project cost.

What will applications under the new community funding track will be evaluated on?

- a) Local government's capacity to pass policies within the given timeframe,
- b) Past experience and performance with other MEA programs,
- c) Local government's ability to commit staff to completing the project/s in the time provided,
- d) Population size,
- e) Geographic diversity,
- f) All energy efficiency projects must be found to be cost effective, in aggregate or on an individual basis, with a simple payback at least equal to the expected life of the equipment.
- g) Application Completeness.

What will applications under the existing community funding track will be evaluated on?

- a) Existing communities must have all projects complete and invoices sent to MEA from all MSEC grants awarded prior to FY15
- b) Progress made towards meeting MSEC goals including demonstration of effort and assistance needed,
- c) Past experience and performance with other MEA programs,
- d) Local government's ability to commit staff to completing the project/s in the time provided,
- e) How innovative a proposed project is,
- f) How feasible a proposed project is, including potential cost sharing from community (not required),
- g) Energy efficiency measures, in aggregate or on an individual basis, must be cost effective with a simple payback at least equal to the anticipated life of the energy project(s) being installed.
- h) Expected electricity savings, transportation petroleum reductions, and/or renewable energy generated as a result of the project,
- i) Population size,
- j) Geographic diversity,
- k) Whether or not the project is occurring in a Priority Funding Area (PFA),
- l) Application completeness.

For what can a local government use the grant funding?

The funding distributed to Maryland Smart Energy Communities will be used for energy efficiency, renewable energy, and/or transportation projects directly impacting a local government. MEA will work with each local government to approve individual projects to maximize energy savings. For existing MSEC communities, there is flexibility in how funds can be spent, as the intent is to encourage innovative project ideas. All projects funded through MSEC must have a direct energy impact.

Are matching funds required as a condition of the grant?

Yes, matching funds are required, a community must contribute at least 15% of the total project cost (per project).

Can communities collaborate/ have a project with another community?

Yes.

Are PPAs an allowed funding mechanism?

Yes, Power Purchase Agreements are a great funding mechanism for deploying renewable energy.

Do all renewable projects have to be constructed or can some be RECs?

Renewable Energy Credits, or RECs, do not qualify for this program. The purpose of the program is to construct additional renewable energy generation in the state.

Will a community have to submit a separate approval form for proposed projects?

Yes, communities will work with MEA to identify projects that should be completed with MSEC funds. The process will be simultaneous with other deliverables. As the community approaches finalizing the three deliverables, the community can start focusing on potential projects.

Do you have any suggestions for projects that could be conducted with the limited amount of funding and could be spent in a short amount of time?

Yes, MEA and the Environmental Finance Center can provide preliminary suggestions for potential projects.

Can we implement projects identified in previous energy audits?

Yes.

Since the policies require long- term commitments, do designated Smart Energy Communities become automatically eligible for future funds or will they need to reapply?

Smart Energy Communities can reapply for funding under the existing community track.

When are we eligible to access the funding?

Once a community has completed the three deliverables, it is potentially eligible for funding. The three deliverables are: establishing baselines to measure reduction; passing two of three energy related policies; and developing a reduction plan pertaining to the two policies adopted.

What is the difference between the energy reduction plan and the project?

The plan ensures the policy goals adopted by the local government have the best possible chance of being attained. The energy reduction plan, for example, is the roadmap to achieve the energy reduction goals laid out in the energy efficiency policy. A number of projects will likely be required to achieve target reductions. The project is a single component of the plan.

Is this funding a reimbursement style grant?

Yes, grants are reimbursement style. The community will need to pay up front and then provide an invoice for reimbursement.

Terms and conditions

What are the terms and conditions?

- MEA intends to include as many communities as possible in the Smart Energy Communities program, but reserves the right to limit the number of participants based on funding availability.

- Submission of an application does not guarantee that the Applicant will be awarded.
- To receive grant funding for a project, the successful applicant must enter into a Grant Agreement with MEA by April 30, 2017, unless an extension is given in writing by MEA.
- If awarded, the Applicant will provide MEA with a complete IRS W-9 Form. All Applicant information on the W-9 Form must match the information provided on this Application.
- A grant award will not be made for any project that starts construction prior to the effective date of the Grant Agreement with MEA.
- MEA reserves the right to ask local governments for additional information before accepting them into the program.
- Projects must comply with all applicable state and federal laws, regulations, and guidelines, including, but not limited to, following appropriate procurement policies, compliance with the National Historic Preservation Act of 1966, all applicable licenses, insurance, permits, environmental standards, etc.
- MEA will not reimburse for any costs expended prior to the grant agreement being fully executed by MEA and the local government. Additionally, in order to receive reimbursement from MEA, each local government will be required to get their energy projects approved in writing by MEA prior to beginning construction, in order to ensure that the energy projects will directly contribute to the achievement of at least one MSEC energy policy goals.
- Authorized representatives of MEA may access the project location in order to conduct site inspections or measurement & verification activities for the program.
- The Maryland Energy Administration (MEA) and its representative(s) may use photos and video of the project(s) for marketing, publicity, and advertising purposes. MEA and its representatives, subject to Maryland Public Information Act and any other applicable law will not divulge any confidential information or trade secrets. Grantees may review and approve any photos and videos taken.
- MEA reserves the right to obligate all or none of the Fiscal Year 20178 *Maryland Smart Energy Communities Grant Program budget*, based on the quality and eligibility of applications submitted to MEA.
- The program Terms & Conditions are subject to change.

Please Note:

Beginning in FY17, the MSEC Grant Program will no longer consider Low-to-Moderate Income Projects. Communities with eligible projects must submit a separate application to the Clean Energy Communities Low-to-Moderate Income Grant Program. Please visit this page for more information:

<http://energy.maryland.gov/govt/Pages/CleanEnergyLMI.aspx>

Contact Information

For more information or assistance, please visit www.energy.maryland.gov or contact:

MEA:

Caitlin Madera, Program Manager at msec.mea@maryland.gov or 410-537-4074